



1315 K STREET  
MODESTO, CALIFORNIA 95354-0917  
TELEPHONE (209) 527-6453  
FAX (209) 527-0630

---

May 23, 2006

Kelly Krug, Director of Marketing Services  
California Department of Food and Agriculture  
1220 N Street  
Sacramento, CA 95814

*Re: Alternative Proposal for July 6, 2006 Transportation Hearing*

Dear Mr. Krug:

The Board of Directors of Western United Dairymen (WUD) approved the filing of an alternative proposal for the upcoming transportation hearing at its May 19, 2006 meeting.

Consistent with former WUD policy, we propose the elimination of transportation credits for condensed skim pursuant to Section 300.2 of the Stabilization and Marketing Plan for Market Milk.

Attached are the proposed modifications to the Northern and Southern California Stabilization and Marketing Plans.

Thank you for your consideration of this alternative proposal.

Very truly yours,

Michael L. H. Marsh, CPA  
Chief Executive Officer

cc: David Ikari, Chief, Dairy Marketing Branch  
John Lee, Chief, Milk Pooling  
Case Van Steyn, Western United Dairymen  
Board of Directors, Western United Dairymen

**Proposed changes to the Stabilization and Marketing Plans for Northern and Southern California are highlighted:**

Section 300.2. Each handler located in counties designated herein as a supply county may deduct from the applicable minimum prices pursuant to Section 300.0, Paragraph (A), a transportation credit for quantities of market milk, and market skim milk, ~~and condensed skim milk~~ shipped in bulk form to a plant located in a designated deficit county. Shipments of market cream are excluded from such transportation credits. ~~However, only for the three months of August, September and October 2003, shipments of condensed skim milk are excluded from such transportation credits.~~ Such deduction shall not exceed the amounts shown for such bulk transfers in the following schedule:

<u>Designated Supply County</u>	<u>Maximum Deduction Per Cwt.</u>	<u>Designated Deficit Counties</u>
Los Angeles County	\$0.26	Orange, Riverside, San Bernardino, San Diego or Ventura Counties
Tulare County	\$0.69	Los Angeles, Orange or Ventura Counties
Tulare County	\$0.77	Riverside, San Bernardino or San Diego Counties
Fresno and Kings Counties	\$0.72	Los Angeles, Orange or Ventura Counties
Fresno and Kings Counties	\$0.80	Riverside, San Bernardino or San Diego Counties
Sonoma County	\$0.27	Alameda, San Francisco or Santa Clara Counties
Merced County and that portion of Stanislaus County lying south of the standard parallel Between Township 3 South and Township 4 South, Mount Diablo Meridian	\$0.38	Alameda, San Francisco or Santa Clara Counties